

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

## MEMORANDUM

TO: Framingham Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: February 2, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.35% to 7.25% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jrl

P:\actuarial\APPROP\Approp21\framingham approval.docx

Enc.



**Framingham Retirement System**  
**January 1, 2020 Actuarial Valuation**

Total cost increases 6.95% per year until FY29 with a final amortization payment in FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Change in</u> <u>Cost</u>
2021	5,640,283	225,000	12,680,087	18,545,370	131,080,567	
2022	5,894,096	225,000	13,715,178	19,834,273	126,984,515	6.95%
2023	6,159,330	225,000	14,828,425	21,212,755	121,481,364	6.95%
2024	6,436,500	225,000	16,025,542	22,687,042	114,385,277	6.95%
2025	6,726,142	225,000	17,312,649	24,263,791	105,490,816	6.95%
2026	7,028,819	225,000	18,696,306	25,950,125	94,571,084	6.95%
2027	7,345,115	225,000	20,183,543	27,753,658	81,375,699	6.95%
2028	7,675,646	225,000	21,781,892	29,682,537	65,628,588	6.95%
2029	8,021,050	225,000	23,499,424	31,745,474	47,025,581	6.95%
2030	8,381,997	225,000	25,231,804	33,838,800	25,231,804	6.59%
2031	8,759,187	225,000		8,984,187	0	-73.45%

Appropriation payments assumed to be made on July 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$900,000

FY21 amount maintained at level of current funding schedule